



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 12, 1989

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LEGISLATIVE REFERRAL MEMORANDUM

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SUBJECT: Draft Statement of Administration Policy on H.R. 2461,
Defense Authorization.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than
1:30 P.M., THURSDAY, JULY 13, 1989.

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Questions should be referred to ANNETTE ROONEY/SUE TRAU
(395-7300), the legislative analyst in this office.

Ronald K. Peterson

RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference

Enclosure

cc: T. Thiele	S. Dotson	J. Eisenhower
B. Retzlaff	D. Fossum	J. Jordan
T. Chavez	E. Rea	R. Rettman
T. Stanners	D. Gessaman	H. Fitter
H. Schreiber	L. Fairhall	G. Jones
R. Fairweather	N. Sweeney	N. Moore
Bayla White	P. Murphy	C. B. Gray
B. Clendenin	B. Sasser	T. Palmieri
B. Pellicci	S. Jacobs	J. Brown

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of experiments crucial to proving the feasibility of SDI technologies.

- B-2 bomber. The R&D and procurement funding reductions totaling \$.8 billion will have serious repercussions including increased total program costs, for this essential element of our strategic deterrent.
- Multiyear Procurement. Denial of the planned multiyear procurement of the F/A-18 and E-2C aircraft and Maverick missile and continuation of the AH-64 helicopter program, which was programed for termination, with a multiyear contract will significantly increase outyear costs.
- European Construction. Reduced funding will hinder the construction of critical facilities in direct support of mission requirements.
- V-22 Osprey. The addition of unrequested funding for this program will result in unaffordable future costs.
- F-14D. Provision of funds to procure 12 new production aircraft in lieu of scheduled termination is a very expensive acquisition strategy.
- National Guard and Reserve Equipment. The addition of \$1.2 billion for this purpose at the expense of other programs,

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National Capital Area, unless GSA issues a solicitation for proposals to acquire such space from all areas within the National Capital Area, which is an unnecessary and unreasonable burden on the procurement process;

- authorizing for the Secretaries of Army and Navy to dispose of several parcels of Federal real property, which is a variance with the Federal Property and Administrative Services Act of 1949.